

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” and Chapter 85, “Services in Psychiatric Institutions,” Iowa Administrative Code.

These amendments continue, for most providers, the rate reductions instituted in December 2009 pursuant to Executive Order 19 for state fiscal year 2011. Rule 441—79.16(249A), which implemented the temporary reimbursement decreases, is rescinded. The reimbursement rules for particular providers are amended to make the same reductions. Reimbursement rules for psychiatric medical institutions for children (PMICs) are revised to continue the interim payment system for another year.

Hospital reimbursement rules are revised to:

- Correct dates and status indicators related to the diagnosis-related group (DRG) and ambulatory payment classification (APC) reimbursement methodologies for inpatient services and outpatient services, respectively.
- Eliminate enhanced disproportionate share hospital (DSH) payments and enhanced graduate medical education (GME) payments.
- Replace the enhanced payments with the Iowa non-state-government-owned acute care teaching hospital DSH payments.
- Establish an Iowa state-owned teaching hospital disproportionate share fund from which payments shall be made monthly to qualifying hospitals.

The requirement that payments to public hospitals and nursing facilities not exceed their actual costs is eliminated as unnecessary in light of the repeal of the state statutory provision limiting payments to public hospitals and nursing facilities to their costs (2010 Iowa Acts, Senate File 2156, section 16).

These amendments were Adopted and Filed Emergency and were published in the Iowa Administrative Bulletin on June 30, 2010, as **ARC 8899B**. Notice of Intended Action on these amendments was published as **ARC 8900B** on the same date. The Department received written comments on the Notice of Intended Action from 35 persons.

All of the comments addressed proposed Item 13, which amends provisions for retrospectively limited prospective rates. This item affects providers of supported community living, supported employment, family and community support, or respite services under a home- and community-based services waiver. In order to achieve the savings required under Executive Order 19, the Department removed a provision allowing those providers to retain revenues up to 2.5 percent over the provider’s actual costs after the annual reconciliation of the prospective rates. The General Assembly directed the Department to continue this reduction for SFY 2012. Providers argued that the ability to retain this revenue is essential to the financial viability of the agencies because of the lag time between incurring costs and having the costs reflected in the prospective rate.

The Department has made the following changes to the rules as Adopted and Filed Emergency and published under Notice of Intended Action:

- Revised the amendment to subparagraph 79.1(15)“f”(2) to read as follows:
“(2) For services rendered July 1, 2010, through June 30, 2011, revenues exceeding 100 percent of adjusted actual costs shall be remitted to the department. Payment will be due upon notice of the new rates and retrospective adjustment.”
- Revised the amendment to subrule 79.1(2), provider category “HCBS waiver service providers,” numbered paragraph “15,” to reflect the amendment that was Adopted and Filed Emergency and published in the Iowa Administrative Bulletin on October 6, 2010, as **ARC 9134B**.
- Changed references to the “intellectual disabilities waiver” to read “intellectual disability waiver.”

These amendments do not provide for waivers in specified situations. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

The Council on Human Services adopted these amendments October 13, 2010.

These amendments are intended to implement Iowa Code section 249A.4 and 2010 Iowa Acts, House File 2526, section 33, and 2010 Iowa Acts, Senate File 2156, section 16.

These amendments shall become effective December 8, 2010.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [79.1, 79.16, 85.25(1)] is being omitted. With the exception of the changes noted above, these amendments are identical to those published under Notice as **ARC 8900B** and Adopted and Filed Emergency as **ARC 8899B**, IAB 6/30/10.

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